

CALIFORNIA HIGH-SPEED RAIL AUTHORITY
MEETING MINUTES
May 30, 2000
LOS ANGELES, CALIFORNIA

The meeting of the California High-Speed Rail Authority was called to order on May 30, 2000 at 10:30am at the Ronald Reagan Building at 300 South Spring Street, in Los Angeles, California.

Members Present: Michael Tennenbaum, Chairman
 Edward P. Graveline, Vice Chairman
 James R. Mills
 John P. Fowler
 William E. Leonard
 Dr. Ernie Bates
 Donna Lee Andrews

Members Absent: T. J. Stapleton
 Jerry B. Epstein

Approval of Minutes for March 22, 2000 Meeting

Chairman Tennenbaum presented the minutes for approval. Vice-Chairman Graveline moved to approve the minutes. Member Leonard seconded the motion, which carried 7-0 (Members Epstein and Stapleton were absent).

Authority Members Meetings for Compensation

Executive Director Morshed presented the list of meetings for compensation. Vice Chairman Graveline moved to approve the list. Member Leonard seconded the motion, which carried 7-0 (Members Epstein and Stapleton were absent).

Members Report

Member Leonard commended Member Mills on his new book, "Memoirs of Pontius Pilate." He stated he enjoyed reading it.

Member Mills reported that on his trip to Los Angeles for the Authority meeting, he took an Amtrak train. He stated that during his trip, his train was delayed for six or seven minutes. He further stated the irony of the delay was that a second track was laid down in Solana Beach specifically to prevent any delays and yet the train was delayed anyway.

Chairman Tennenbaum appointed Vice-Chairman Graveline and Member Leonard as "liaisons" with respect to Legislation. Member Bates moved to approve the selection of the "liaisons" and Member Fowler seconded the motion. The vote was carried 7-0 (Members Epstein and Stapleton were absent.)

Executive Directors Report

Executive Director Morshed reported that he also enjoyed Member Mills new book.

Executive Director Morshed stated that Member Leonard received “Outstanding Citizen of the Year” award from California Transportation Foundation. He stated that the Authority staff would like to congratulate Member Leonard on such a wonderful award.

Executive Director Morshed reported that the Governor released his Transportation Initiative that included \$5 million for the Authority to initiate the Program EIR. He stated that this was the first statement by this Administration that supported the continuation of work by the Authority.

Executive Director Morshed stated that he wanted to provide an update on Legislation that related to the Authority. He stated that:

AB 2131 (McClintock): Did not survive past the Policy Committee and therefore is dead.

AB 1703 (Florez) and SB 1840 (Costa): Both bills passed the Policy and Fiscal Committees. He stated that he would report any new information regarding these bills as soon as he receives it.

SB 2019 (Polanco): Author removed the urgency clause, so it now has the same deadline as AB 1703 and SB 1840. This bill is presently on the Senate Floor.

Member Mills reported that he had numerous concerns regarding the language of both AB 1703 and SB 1840.

Vice-Chairman Graveline suggested that Member Mills put his concerns in writing since he would be meeting with Senator Costa the following day.

Member Andrews asked if the Board Members and/or staff of the Authority have the authority to make changes or give recommendations for language for Legislation that relates to High-Speed Rail.

Executive Director Morshed stated that Board Member and staff can make recommendations and submit them to the authors of the bills, however, it must be understood that the changes may not necessarily be made.

Chairman Tennenbaum stated it was the “sense of the Authority” that we would like the law of the State and any further laws to clarify the role of various entities with respect to high-speed rail. He further stated that it was also the “sense of the Authority” that nothing in the Legislation should preclude Amtrak from providing service over 100 miles per hour. He also stated that the Authority would rely upon the appointed “liaisons” to assist in shaping the Legislation. No Member had an objection these statements.

Sole Source Contract Authorization

Executive Director Morshed stated that staff has requested proposals from French, German and Japanese Railroads to enter into two peer review contracts. Executive Director Morshed stated that he needed the approval of the Board to initiate and approve the two sole source agreements not to exceed \$200,000 for each contract. Chairman Tennenbaum moved to approve the motion of delegating the Executive Director this authority. Member Leonard seconded the motion, which carried 7-0. (Members Epstein and Stapleton were absent).

Final Business Plan Discussion

Executive Director Morshed stated that the Authority was directed to hold public workshops and finalize the Business Plan for the Governor and the Legislature. He further stated that both the Governor and the Legislature have acknowledged the business plan. He stated that the business plan included two recommendations by the Authority which were: 1) that a high-speed train is a good thing for California and 2) the Legislature and the Governor should not provide full funding at this time – only enough funding for the environmental process to proceed.

Executive Director Morshed stated that a few conditions would apply to the changes in the business plan:

- 1) alter the design of the cover of the business plan to indicate it is the final business plan,
- 2) change the address on the letter in the business plan
- 3) secure members' signatures for the letter
- 4) prepare a summary of the 90-day public comment period.

Chairman Tennenbaum requested that the sensitivity analysis be highlighted in the final business plan. He said it is critical for the Authority to state that the \$300 million a year revenue surplus projected for the financing plan is a very conservative assumption. The fact is that the Authority's sensitivity analysis showed that surplus revenues from the system could be as high as \$1 billion by the year 2020.

Executive Director Morshed reported that the Authority has received a number of comments both written and verbal throughout the workshop process. While there have been some exceptions, primarily, most of the focus of the comments has been that it is very appropriate to move forward with the next phase of the work, which is the environmental process. Mr. Morshed recommended that the Authority accept the draft business plan as their final business plan to the Governor and Legislature, with a new cover and minor edits. He suggested that the best way to highlight the sensitivity analysis in the final business plan would be to incorporate a paragraph in the members letter of transmittal to the Governor and Legislature -- which would be circulated for the Authority's members review and signatures. He also suggested that this additional paragraph should include that it is likely that federal funding will help finance the construction of the high-speed trains system.

Executive Director Morshed stated that he would like the Board to direct staff to prepare a final business plan including these changes. Vice Chairman Graveline moved to approve the motion that Authority staff prepare a final business plan with these conditions. Member Leonard seconded the motion, which carried 7-0. (Members Epstein and Stapleton were absent).

Review and Approval of Environmental Impact Report/Environmental Impact Study Request for Proposal (RFP)

Executive Director Morshed stated that assuming the Authority receives both Legislative approval and budget approval, staff has a draft RFP for approval by the Board and that the Authority should secure the services of a Program Management Team to oversee the Program EIR. He stated that once this Program Management Team is on board, the first task they would need to do would be to set up a list of priorities of what needs to be done to complete the Program EIR. Executive Director Morshed stated that two members of the Authority Board should be appointed to watch over the EIR process.

Chairman Tennenbaum recommended that we add to the evaluation criteria of the RFP the fact that the Authority will be seeking methods and proposals for streamlining the EIR process.

Member Leonard agreed with Chairman Tennenbaum and stated that this was the Authority's opportunity to tighten up its work. He stated that the Authority should be looking for ways to streamline. He stated that \$5 million was not going to be enough for the Program EIR and that maybe the Authority should look into requesting additional federal funds to do this study.

Member Fowler suggested that the Authority assign a contractor to lay out alternatives to reflect what can be done for \$5 million.

Executive Director Morshed stated that all these concerns can be addressed by a Program Management Team once they have been hired.

Chairman Tennenbaum asked Members Leonard and Bates to assist with managing the EIR process. Members Leonard and Bates agreed.

Member Fowler moved to approve the motion to accept the RFP with the amendment that scoring for the contractors would include their skills in optimizing the necessary approval process and then release the final RFP on May 31, 2000. Member Bates seconded the motion, which carried 7-0. (Members Epstein and Stapleton were absent).

Maglev Deployment Program Update

Chairman Tennenbaum stated that the Authority has investigated Maglev and that there are certain issues, with respect to Maglev, that have to be addressed in order for the Authority to embrace any particular recommendation or analysis. He stated that it has not been the Authority's view that Maglev is a proven technology, with respect to revenue service. He further stated that it is the Authority that was not at all clear as to what the return of investment would be for a Maglev project that could not, by reason of right-of-way, achieve some of its optimum speeds. Chairman Tennenbaum stated that the Authority has always felt that Maglev consideration should not be in isolation, but should be compared to other transportation modes. He stated that as a consequence, he would like to suggest that the Authority "beef up our liaison group with the Maglev project, which is Members Epstein, Member Andrews, and add as an alternate, Member Leonard, so that there can be as many and as long meetings and interactions as necessary to generate the supporting evidence to whatever report that this Authority is asked

to embrace, and to bring a report to the Authority for public hearing consideration that we would be prepared to vote on.” Member Andrews seconded the motion, which was carried 7-0. (Members Stapleton and Epstein were absent.)

Member Andrews requested Al Perdon to address the Authority on the timeline of when the Authority would have to take a formal position on the issue of Maglev.

Mr. Perdon stated that the agreement that the three entities signed up for with the Federal Railroad Administration is that we would complete a Project Description and submit it to the FRA by June 30 of this year.

Mr. Perdon introduced Mr. Ron Bates, President of Southern California Association of Governments.

Mr. Bates stated that SCAG is very excited about the Maglev project. He stated that the population growth in Southern California and the job growth over the next 20 years will be phenomenal. He stated that California will not be able to “build its way out of this” by expanding freeways and making major highway improvements. He stated that a form of high-speed rail would be necessary to address major transportation challenges that California will face over the next 20 years. Mr. Bates stated that SCAG feels that Maglev has some very exciting possibilities. He stated that right-of ways that are available are rather limited. He stated that any solution would be primarily confined to areas of existing right-of-ways, whether they be railroad or freeway right-of-ways. He stated that Maglev, with the elevated technology would fit into that context. He stated that additionally, environmentally, noise issues and how it would placed in the setting of an urban atmosphere would be arguments that Maglev is the technology of choice.

Mr. Bates also stated that Maglev is doable primarily with private financing and loans and other monies available through the federal government, but without any state support. He stated that SCAG would like to work with the Authority to create a public-private partnership whereby each would work together and try to put in a technology that would benefit all of Southern California and ultimately could benefit the entire country.

Meeting was adjourned at 12:06PM